

Federal Democratic Republic of Ethiopia  
The Ministry of Foreign Affairs



# A Week in the Horn



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Dr Tedros Adhanom,  
Minister of Foreign Affairs

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Telephone: (+251) 11 151 7345  
Fax : (+251) 11 151 4300

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# Kenyans elect President Uhuru Kenyatta as the country's 4th President

The people of Kenya elected Uhuru Muigai Kenyatta as their next president in the elections held on Monday, March 4th. The results of this first election held under the new constitution were officially declared by the Independent Electoral and Boundaries Commission on Saturday, March 9th.

The Commission, and the country, made extensive efforts to ensure a peaceful election. The Commission said it registered some 70 percent of the 21 million eligible voters using new bio-metric identification kits that would identify voters by their fingerprints. There was also a new electronic system to transmit results from the polling stations to the national tallying center. In fact, there were a number of technical challenges and technology did not operate as expected. Voting was also complicated by the fact that on Election Day voters were expected to select the president as well as parliamentarians, regional governors and local council members under the new constitution which has been designed to devolve power from the center to Kenya's marginalized regions.

The dozens of international observers hailed the conduct of the election as largely free, fair and credible. The two main contenders in the presidential vote were Deputy Prime Minister Kenyatta who had 6,173,433 votes and Prime Minister Raila Odinga who received 5,340,546 votes. There were 12,338,667 million votes cast. In announcing the result on Saturday, the Commission said Mr Kenyatta had narrowly avoided a run-off by winning 50.07% of votes in a credible and transparent poll. It said the turnout, at 86%, was the highest ever for any election in Kenya.

It appears Prime Minister Odinga, who has claimed there was massive tampering with the results and that some figures used in the tallying of votes were fictitious, has indicated his party, the Coalition for Reforms and Democracy (CORD), will ask for a judicial review of the election. He said there had been a "a failure of virtually every instrument the Independent Electoral and Boundaries Commission had deployed for the election: the poll books, the servers, the telephonic transmission, the biometric voter registration kit. They all failed, despite the billions spent on acquiring them." Under the new constitution, any party has seven days following the announcement of election results to file a grievance and the Supreme Court then has another 14 days to hear the case and rule on it. Kenya's Chief Justice Mutunga has said the Supreme Court would hear any case in a fair and impartial manner, and that "the court will strictly adhere to the constitution and it will be guided by law.

Prior to the voting, the regional organization, IGAD, has dispatched a high level Goodwill Mission led by Dr. Tedros Adhanom, Ethiopia's Minister of Foreign Affairs, to Kenya. Ethiopia is the current chair of IGAD. It was composed of ministers and ambassadors from IGAD member countries and met with the Independent Electoral and Boundary Commission (IEBC) and was briefed by the chief executive regarding the organization of the commission and the preparations made for the election. The delegation said it had been very impressed by the organization and preparation of the Electoral Commission, and it expressed its best wishes and showed its solidarity to the people and government of Kenya over the election and the electoral process. After the visit Dr. Tedros underlined the importance of Kenya as a symbol of peace and stability in the region and as a safe haven during trying times.



He also stressed the importance of Kenya in the region today, in terms of peace and stability and as economic power house. Noting that Kenyans had drawn lessons from the 2007 election violence, he expressed a wish for the elections to be conducted fairly and peacefully, and said that IGAD would be on the side of the Kenyan people “in their noble journey to peace, democracy and political tolerance.”

The election observers, representing various regional and international institutions, have hailed the result as a true reflection of the will of the people of Kenya and therefore an advancement of democracy for Kenya and for Africa. The President of the Federal Democratic Republic of Ethiopia, Girma Wolde Giorgis, has extended his warmest congratulations on behalf of the people and Government of the Federal Democratic Republic of Ethiopia to president-elect Kenyatta. President Girma also expressed his firm conviction that, "with the election and able leadership of the president-elect, the people of the Republic of Kenya will enjoy the continuity and benefits of democracy, peace and development". President Girma expressed his hope that President Kenyatta will take the existing fraternal relations between Ethiopia and Kenya to an even higher level and consolidate the close cooperation between the two countries on bilateral and regional matters.

After the election, the Intergovernmental Authority on Development said the work of the Independent Electoral and Boundaries Commission had been largely “transparent and professional” despite the challenges it faced during the election. It said the manner in which the elections were conducted “should be a model for adoption” by other countries. Kenya’s conduct of the elections in turning out in large numbers and remaining peaceful throughout the period indicates a changing pattern on the continent which would eventually guarantee stability. IGAD secretary general Mahboub Maalim said “the election day demonstrates to the region and the whole world the democratic maturity in Kenya,” and he added that “We laud the Chairman, the Commissioners and the entire staff of the IEBC for the transparent and professional manner in which they conducted the process despite some challenges. Mr. Maalim also praised the work of the media and congratulated President-elect Uhuru Kenyatta and his Deputy President-elect William Ruto on winning the elections and wished them well in fulfilling their pre-election pledges to Kenyans.

The Joint COMESA, EAC, IGAD Observer Mission also congratulated the people of Kenya for their overall peaceful conduct during the electoral process. Despite the challenges relating to the verification of voters, the Observer Mission concluded that the 2013 process met regional, continental and international standards for credible and transparent elections. The Mission commends the Electoral Commission for their professional conduct and the security agencies for ensuring that overall law and order prevailed throughout the electoral process.

The African Union Commission saluted the people of Kenya for the successful and peaceful conclusion of the elections. A statement from the Commission said that by turning out in their millions, they have made the people of Africa proud and have secured the Kenya they wanted. It added “we especially congratulate the President-elect, H.E. Uhuru Kenyatta, the Vice President-elect William Ruto and the Jubilee Coalition on being declared the winners in the elections. We salute all participating candidates and parties for their contributions towards this important democratic process, held under Kenya’s new Constitution”.



African Union Commission also congratulated the Independent Electoral and Border Commission for conducting such a complex electoral process and encouraged any who had raised concerns to continue to do so through legal channels.

Observers noted that for the new administration to succeed in steering Kenya towards a path of economic transformation, it must strengthen Kenya's relations with her neighbors in East Africa and in Africa at large as well as address the issues surrounding the post-election violence of 2007, and historical grievances, such as land ownership and access to economic opportunities, that were the real cause of the violence as the Joint Observer Mission noted in its preliminary report. The new administration will also need to focus on regional inequalities and youth unemployment, and work to unify the Kenyan society to advance towards the common goal of economic transformation.



## Sudan and South Sudan agree on Implementation Modalities for Security Arrangements

The Republic of the Sudan and the Republic of South Sudan signed Implementation Modalities for Security Arrangements on Friday, March 8 2013 in Addis Ababa. The agreement was signed by the two sides following a four-day Extraordinary Meeting of the Joint Political and Security Mechanism (JPSM) led by the two countries defense ministers, Lt. General Abdelrahim Hussein of Sudan and General John Kong Nyuon of South Sudan. It was facilitated by the AU High Level Implementation Panel, chaired by President Thabo Mbeki and in the presence of General Abdulsalami Abubakar. The signed document included agenda items and enclosures related to details of the United Nations Interim Security Forces in Abyei (UNISFA)'s Roll-Out Plan; mechanisms of addressing concerns and complaints; and on a Security Matrix and subsequent details of implementation activities. The JPSM worked through its technical committee and addressed all pending issues to the full operationalization SDBZ. It was agreed that the implementation of the security arrangement and establishment of the JBVMM was to be 10 March 2013.

This latest Agreement, among other things, paves the way for the resumption of oil production and its transit through Sudan; the two sides indeed agreed to resume oil production within two weeks, and laid down modalities and time lines for the implementation of the Agreement on Temporary Arrangements for the Administration and Security of the Abyei Area, in particular for the establishment of the Abyei Area Administration, the Abyei Area Council, and the Abyei Area Police. The Final Status of the Abyei Area and the resolution of the Disputed and Claimed Areas are the only remaining outstanding issues to be resolved through continued negotiations.

In the Implementation Plan approved by the two countries, the Joint Political and Security Mechanism (JPSM), the two sides agreed on updated Joint Border Verification and Monitoring Mechanism's (JBVMM) deployment details and on a UNISFA roll-out Plan. The two sides agreed on additional JBVMM force requirements as outlined by General Samora Yenus, Chief of Staff of the Ethiopian Armed Forces, in January this year and on the number of team sites and teams per sector. These will change according to future joint security assessments. In the first phase, the buildup of the Initial Operational Capability, the JBVMM HQ to be in Kadugli; two sector HQs and four teams have also been agreed. In phase 2, Full Operational Capability is expected and four sector HQs and ten teams will be operational. The four sector HQs will deploy in Kadugli, Gok Machar, Buram and Malakal during this period. The number of monitors of the processes will be 90, following JPSM decisions of September 18th, 2011, and UNSC resolution 2024, with an initial strength of 70, being built up as operationalization proceeds. The Force Protection strength has also been agreed on: 860 personnel and 266 military support personnel.

South Sudan has agreed to provide land at Gok Machar within 16 days from the D-Day (10th March 2013), and IOC will be operational within 30 days of provision of land. Sudan has agreed immediate use of land in Kadugli and thus JBVMM will operate immediately from there. Land allocations at Malakal and Buram should be completed within 30 days of March 10th. While the temporary JBVMM HQ will be in Kadugli it will later be moved to Abyei permanently.



The two sides have agreed on immediate and unconditional withdrawal of forces to their respective sides of the SDBZ and to complete the process of withdrawal within 14 days from March 10th. UNISFA is expected to report progress the same day. Soon after the agreement on the modalities of the implementation of the security arrangement, the President of the Government of the Republic of South Sudan, Salva Kiir, ordered the withdrawal of South Sudanese troops from the Safe Demilitarized Border Zone. Likewise, the President of Sudan ordered the Sudan Armed Forces to withdraw as per the agreement.

JBVMM FOC is expected to materialize in the next two months and activation of an ad-hoc committee, which will receive and investigate complaints and allegations to be reported to JPSM, is set to materialize within 44 days from the D-Day. Opening of 10 border crossing corridors and joint visits by concerned ministries to review completion and readiness of the corridors is also set to be materialized within 70 days from the D-Day. A Standing JPSM Secretariat is entitled to manage concerns and complaints, perform investigative functions and report to the JPSM Co-Chairs for further action. On the Security Matrix, the two sides have agreed on a renewed commitment to non-aggression, cessation of harboring or support to rebels and cease hostile propaganda, among other things.

The two parties also agreed to order the resumption of the flow of southern oil exports through pipelines in Sudan within 'D-Day' plus 14 days. The time line follows a signed deal between Sudan's chief negotiator, Idris Mohammed Abdel Gadir, with his South Sudanese counterpart, Pagan Amum. The AU High Level Implementation Panel Chairman, President Thabo Mbeki, who is facilitating the negotiations, told reporters that the orders for resumption will be given to companies on D-day (March 10th) plus 14."

A number of regional and international organizations including the AU welcomed the outcome of the latest talks. The Secretary General of the UN, Ban Ki-Moon, said in a statement that "With this agreement, there should be no further conditions in the way of immediate implementation of the other signed September 27th (2012) agreements, including the agreement on oil". The Secretary-General reiterated the United Nations readiness to support the operations of the Joint Border Verification and Monitoring Mechanism and to assist both parties in the implementation of these agreements.

The Chairperson of the Commission of the African Union, Dr. Nkosazana Dlamini Zuma, welcomed the signing and urged Sudan and South Sudan to adhere to the time lines which are necessary to ensure that the return of displaced persons and the seasonal migration of nomadic groups can continue in a peaceful atmosphere. The Chairperson also noted with appreciation that both governments have commenced withdrawal of their armed forces from their common border, as stipulated in the Agreement on Security Arrangements signed on 27 September 2012 and agreed in the Implementation Modalities for Security Arrangements in Addis Ababa. She stressed that this augured well for the full normalization of relations between the two countries.

The Chairperson of the Commission also commended the leadership of the two countries for their commitment, and looked forward to the planned visit of President Al-Bashir to Juba, as the next step in cementing mutually cooperative relations between them. She noted that the Final Status of the Abyei Area and the resolution of the disputed and claimed areas are the only remaining outstanding issues, and expressed her belief that the positive atmosphere created by the most recent agreements, and the commitment to their implementation, provide the basis for the resolution of these outstanding matters.



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She expressed her appreciation to President Thabo Mbeki and General Abdulsalami Abubakar, for their continued commitment and unstinting efforts to assist Sudan and South Sudan resolve their outstanding issues and build two viable and mutually cooperative states.



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# Ethiopia's Human rights Action Plan submitted to Parliament

The enactment of the 1995 constitution in Ethiopia, following the demise of the military junta, the Derg, in 1991, gave constitutional guarantees to human rights in Ethiopia. In an almost verbatim copy of the Universal Declaration of Human Rights and International Covenant on Civil and Political Rights and other major human rights instruments, the constitution guaranteed the citizens of Ethiopia basic rights to life, property, bodily integrity and security, freedom of speech, self determination and other rights as inalienable and inviolable.

The constitution and proclamations enacted subsequently provided institutional safeguards for full observance of basic rights and freedoms. In this regard, the incorporation of judicial independence as the central organizing principle for justice, the establishment of the Ethiopian Human Rights Commission and the institution of the Ombudsman are notable examples. These marked a complete break with the dark times of the Derg when arbitrary incarceration, torture and killing were committed with impunity in brazen violation of the rights of citizens.

Since 1991, the practice of human rights has been encouraging. The government has taken positive steps towards guaranteeing the protection of rights and freedoms. Court reforms and improvement in prisons, the provision of defense counsel for accused persons, as well as the enactment of different laws have been instrumental in enhancing observance of such rights as access to justice, the rights of accused and other fundamental rights and freedoms. The expansion of education and health facilities has also been notable in guaranteeing the right to health and education.

Now, in a bid to further strengthen the observance of human rights and freedoms, the government has drafted an Ethiopian Human Rights Action Plan which will be implemented alongside the Growth and Transformation Plan over the next three years. The idea of preparing the plan came from the recommendations of the recent UN Human Rights Council's Universal Periodic Review, which evaluates member states' human rights situations. The preparation of the Plan which was unveiled last week was carried out between August 2011 and May last year. Following its completion, it was approved by the Council of Ministers and is currently tabled for the House of Representatives to pass as legislation.

The main objective of the Plan is to outline the strategic guidelines to promote human and democratic rights, to provide a comprehensive strategy for the structural aspects of activation of the Plan, define ways of enhancing the awareness of the public and indicate strategies by which the Government can work with civil societies, development partners and other stakeholders in its implementation.

The organization of the Action Plan is predicated on five study points. The first study point of the Action Plan was to define the scope of the rights enshrined in the constitution in light of the international instruments to which Ethiopia is a signatory. This task was quite important as Ethiopia's constitution stipulates that international treaties ratified by Ethiopia are part and parcel of the laws of Ethiopia and allows the human rights provision of the constitution to be interpreted in light of the international human rights instruments to which Ethiopia is a party.



Accordingly, a systematic study of these rights and determination of their scope was done by the drafting committee of the Action Plan. The adoption of a broad reading of human rights has enabled it enumerate such rights as environmental rights, rights of older people and people living with HIV/AIDS.

As a second major task, the committee identified all laws and policies that have a bearing on the exercise of rights and freedoms. Thirdly, it systematically identified and studied institutions established to cover specific rights and looked into their contribution to the promotion of those rights. The fourth area of concern was to identify problems and challenges in protection of the observance of rights and freedoms, and the final point was to determine specific actions to be taken, identify the institutions to be responsible for such action and set up a monitoring evaluation system. The Action Plan therefore assigns specific ministries and institutions with mandates on the implementation of the Action Plan.

In sum, the Action Plan, which has also been the subject of discussion with international partners and stakeholders on 5 March 2013 is a major step towards a full realization of the rights and freedoms of citizens. In this regard, the most notable significance of the Action Plan emanates from the comprehensive nature of its approach. It is the first document that puts in place strategic direction on how the Government should coordinate efforts with all international partners, civic society organizations and other stakeholders, making the Action Plan all the more significant.



## Business delegation explores prospects of investing in Ethiopia

The Ethiopian Chamber of Commerce and Sectoral Associations (ECCSA) was the venue for a high-level business roundtable discussion between leaders of the Chamber, foreign investors, members of the local business community and the Ministry of Foreign Affairs. The business roundtable held on Monday (March 11th), organized by the Chamber in collaboration with the Ministry of Foreign Affairs, was aimed at fostering discussion between investment stakeholders on the current business and investment climate.

The discussions were organized to coincide with the visit to Ethiopia of Lord Mandelson, a former European Trade Commissioner, UK Secretary of State for Business, Enterprise and Regulatory Reforms and current chairman of Global Counsel LLP, a strategic business consultancy firm that advises international companies interested in entering emerging markets. In addition to Lord Mandelson and members of his team, representatives from Diageo, Sunshine Construction, Silver Star Engineering, Ethiopia Commodity Exchange, Earnest and Young, Ethiopian Textile and the Garment Producers Association among others were in attendance.

The Chamber of Commerce, a national chamber comprising eighteen regional state and local chamber members, is an autonomous, non-profit, non-partisan private sector institution aimed at fostering increased trade and investment for Ethiopia. As part of its mission it has introduced and chaired roundtable discussions aimed at confirming Ethiopia's status as an investment destination for international business.

The discussions were initiated by the Secretary-General of the Chamber, Ato Getachew Regassa, who welcomed all participants before introducing the topics of discussion and inviting Lord Mandelson to say a few words. Lord Mandelson said he looked forward to hearing from all participants and encouraged the discussions to be informal, open and direct so as to cultivate greater information sharing amongst contributors. He outlined the delegation's interest in hearing what investment opportunities and priorities existed in Ethiopia for international investors.

The Chamber provided a short presentation to brief invitees on Ethiopia's current economic climate and existing investment opportunities for international companies and firms. Out of the presentation and the discussions which followed emerged a clear picture of the advantages of investing in Ethiopia.

Ethiopia's political and economic stability were particularly highlighted as crucial factors in its current economic growth and burgeoning investment prospects. Coupled with the lowest crime rate in Africa and extremely low levels of corruption, the consensus that emerged out of discussion indicated the attractive and low-risk investment opportunities currently available. The availability of a large, inexpensive and trainable work force was equally highlighted by Lord Mandelson as an important factor in attracting potential investors in labor intensive sectors such as manufacturing and agriculture. According to Earnest and Young's estimates GDP per capita by 2025 (when Ethiopia's population is projected to be 120 million) will have risen to \$3500-\$4000, a prospect that should be extremely attractive to investors interested in establishing consumer-goods businesses in Ethiopia.



The Deputy Secretary-General of the Chamber, Endalkachew Sime, detailed the government's investment incentive packages and its transparent investment regime as further reasons to be involved in the Ethiopian economy. Foreign investors can enjoy tax holidays up to five years, exemption from import customs duty for capital goods, the carrying forward of losses, and the right to full repatriation of profits. Moreover, investors with 30 percent of the primary capital and a bankable project in a priority sector can be provided with the remaining 70 percent of capital in the form of low-interest loans from the Development Bank at a rate of 8.5%.

Ethiopia's preferential access to global markets through COMESA, EBA, AGOA and the GSP were also identified as important factors in attracting foreign investors. As a member of the Common Market for Eastern and Southern Africa (COMESA), which embraces 19 countries with a combined population of over 400 million people, Ethiopian products enjoy unprecedented access to a growing African consumer base. The European Union's 'Everything but Arms' initiative (EBA) also offers Ethiopia preferential access to the European market while exposing the EU consumer to high quality Ethiopian products. Under the yet unexploited African Growth and Opportunities Act (AGOA) Ethiopian products are afforded entry into the US Market exempt of quotas and duty. In a sign of the rising reputation of Ethiopia as an investment destination, the annual AGOA forum is set to be held in Addis Ababa in May this year. Additionally, Ethiopia qualifies for preferential access to the US consumer through the Generalized System of Preference (GSP).

In response to a question raised by the representative from BXR, a private equity firm investing in Eastern and Southern Africa, participants at the roundtable identified agriculture, agro-processing, renewable energy, mining, leather, textiles, and manufacturing as priority sectors for potential foreign investors. The representative from Silver Star Engineering specifically urged the delegation led by Lord Mandelson to invest in clean energy sector projects such as hydro power (a government priority), wind, geothermal and biomass development. The contributors also pointed to the country's excellent agricultural potential by outlining the availability of unused arable land and the nation's irrigation potential. The country's diverse climate and fertile soils were identified as key factors for successful investment in cash crops such as coffee, sugar cane, cotton and sesame seeds.

The overarching theme of the roundtable established Ethiopia as a thriving nation on the cusp of important economic and developmental transformation. As one of the fastest growing non-oil economies in the world, it can offer investors tremendous opportunities. With a large and trainable labor market, a number of investment incentives, and significant natural resources, Ethiopia offers investors a unique opportunity to be part of this transformation.

Lord Mandelson and his team, who were in Ethiopia for three days, also held discussions with Prime Minister Hailemariam, Minister of Finance, Sofian Ahmed, Industry Minister, Mekonnen Manyazewal and Agriculture Minister, Tefera Deribew.



## Tarmacking the road to regional integration

In the post-colonial history of the Horn of Africa, economic integration remained a forgotten agenda which in turn made realization of it a distant prospect for the better part of the twentieth century. Indeed, it is no exaggeration to say that economic integration was given a back seat. Equally, the concept was also beset with numerous structural challenges that include similarity of major export items, ineptness of manufacturing sectors, disparity in economic and tax regimes and numerous conflict and war situations of both an intra- and inter-state nature within the countries of the sub-region. An equally important factor that made regional economic integration elusive was the absence of sound infrastructure within the sub-region. In the past decade however, the Horn has begun to witness a positive change in conditions affecting trade particularly in infrastructural development. The revitalization of IGAD in 1996, the encouraging economic growth of the nations of the region coupled with the relative regional peace and security spurred active interest in the economic integration.

In this regard, both before and after its symbolic appointment as a champion of infrastructure within the IGAD framework, Ethiopia demonstrated enormous commitment to the construction of regional infrastructural works. Notable among these are the two tarmac roads connecting Ethiopian border cities with Sudan, the hydro power transmission lines in the Ethio-Djibouti, Ethio-Sudan and the Ethio-Kenya power projects, the fiber optic links to Somalia and Sudan, and the railway projects connecting Ethiopia and Djibouti. Another major project in this regard is the LAPSET project to link the new Kenyan port of Lamu to South Sudan.

Ethiopia has consistently shown serious commitment to the reality that the only 'road' to regional economic integration and success is through addressing the continent's infrastructure gap. Similarly, the New Partnership for Africa Development (NEPAD) outlines in its mission statement the view that "there can be no meaningful development without trade and there can be no trade without adequate and reliable infrastructure." It is a well established fact that infrastructure is important for creating wealth, both within households and within enterprises. Further infrastructural links between the countries of the Horn can only serve to reduce the costs of enterprises whilst enlarging their potential markets. Enterprises will also be more willing and able to invest in productive assets, when the complementary capital is in place and services are at a low cost. Equally, for households, access to utility and infrastructure services dramatically improves living conditions and welfare.

A welcome addition to the long list of projects aimed at connecting the region has been the recent agreement on the construction of a road project to connect Ethiopia with South Sudan. The Ethiopian Road Authority signed a \$240 million deal with Indian contractors to connect Ethiopian border cities in Oromia and Gambela regions to the South Sudanese town of Pagak. Additionally, South Sudan has also announced the construction of a \$50 million, 100km road set to connect the oil fields at Paloug, Upper Nile state to the town of Pagak, near the Ethiopian border. These ties, set to further integrate the sub-region, are further signs of the willingness and political will on both sides to achieve economic success. The construction of these roads, to be completed over the next year, is yet more evidence of the inter-state infrastructural growth that Ethiopia is encouraging and facilitating in the region.



The completion of the project will provide manifold opportunities for regional economic integration. It is a well established reality that for most African countries, distance from primary markets and high transport costs inhibit participation in the global economy. Transport costs, dependent on levels of infrastructure, represent the greatest obstacle to regional economic success. The absence of roads and other infrastructure facilities stands as a major hindrance to intra-Africa trade in general and within the IGAD sub region in particular. The construction of the roads will go a long way to boost trade between the countries of the Horn.

The first and most immediate benefit of the roads will come in the form of providing an invaluable contribution to cross-border trade between the neighboring regions of the states. The cross border trade in the Horn of Africa is characterized for its resilience even when favorable conditions for its survival were almost nonexistent. It was often operated illegally in the form of smuggling across the lengthy borders of many states. Against this backdrop, the construction of the road in this regard will have a positive contribution in two ways; the all weather tarmac road will increase the flow of goods and contribute to the cross-border trade volume, and a corollary will be the controlling of illegal cross border trade and formalizing trade relations.



## Another sign of progress in Somalia

Somalia continues to see progress as the central government has demonstrated over the last two weeks by further efforts to consolidate its inclusive peace process policies. These included agreements signed between the federal government and its regional administrations; the resumption of Parliament's review of the federal Constitution; further military advances by Somali government and AMISOM forces to weaken Al-Shabaab remnants; and all-time low records of piracy in the Gulf of Aden and Indian Ocean.

Somali Prime Minister, Abdi Farah Shirdon, and Puntland regional President, Abdirahman Mohamed Farole, on Monday (March 11th) signed an historic agreement outlining the relationship between the central government and the regional administration. Prime Minister Shirdon in a press statement said the agreement with Puntland was "another major step forward in reconciliation and federal state-building" and expressed his belief that the agreement "will improve our relationship and ensure our ties only get stronger". President Farole said the agreement reached was "very critical" and that it "will build trust and confidence across the board". The agreement consists of seven articles detailing each party's rights and obligations under federalism. It stipulates federal government support for developing Puntland's economy and strengthening Puntland's democratic process. In addition, the two governments agreed to work together on security improvements and to share information in the fight against Al-Shabaab.

Similarly, Somali Prime Minister, Abdi Farah Shirdon, has signed an agreement with Ahlu Sunna wal Jama'a to cooperate on security and negotiated a deal with the local community to set up a local administration in Galgadud region. A statement from the Prime Minister's office, quoted the PM as saying that both sides had their obligations to fulfil in this partnership: "the government has a responsibility to deliver public services to the regions and we are expecting you in the regions to honour your side of the bargain, stand up acceptable local administrations and speed up the process of reconciliation," adding that "we will stand shoulder to shoulder with you every step of the way."

The Prime Minister held a series of public and private meetings in his tour of Galgadud, accompanied by the Minister of Interior, Abdikarim Hussein Guled, the Minister of Defence, Abdihakim Mohamud Haji Fiqi, and the Deputy Speaker of Parliament Jaylaani Nur Ikar. The Prime Minister subsequently stressed his regional visits would continue, noting that the Somali government is no longer confined only to Mogadishu. He said the government was now in the process of directly witnessing how the people in the regions are living and how they are managing. "We want to listen to them, establish their priorities and work hard to meet them in cooperation with local administrations.... There's no turning back." He described his tour of Galgudud and Puntland as a "listening tour".

The Somali parliament began a comprehensive review of Somalia's provisional federal constitution on Saturday (March 9th). Members of the Federal Parliament divided themselves up in groups to carry on the review. Speaker Mohamed Sheikh Osman Jawari said the move came after multiple requests from the public to review the constitution. He said: "we are conducting the review following many meetings with civil society representatives who requested that the parliament review the constitution".



He invited independent commissions to join the lawmakers in their review efforts which he described as “a very important task”. According to reports, there are 57 articles under the provisional constitution that need to be reviewed by the federal parliament.

Meanwhile, Somali army chief, General Abdulkadir Sheikh Ali Dini, has said that Somali forces with the support of AMISOM are ready to proceed with the fight against any elements who pose a threat to the security of the nation. Speaking to journalists at a ceremony at which another hundred soldiers concluded training in Mogadishu last week, the general said that the army would continue to carry out continuous attacks on the remnants of Al-Shabaab and liberate any areas it still controlled: the army, he said, “stands for the defence of the Somali people and the national flag”. Al-Shabaab called the Somali national flag “a mere cloth”, an insult that angered many who strongly regard the light blue and the star as one of the greatest national symbols.

International maritime groups have welcomed the recent decrease in the number of attempted attacks against ships by Somalia-based pirates operating in the Gulf of Aden and the western Indian Ocean. These include International Maritime Organization, the International Chamber of Shipping (ICS), BIMCO, the Oil Companies International Marine Forum (OCIMF), the International Association of Independent Tanker Owners (INTERTANKO), the International Association of Dry Cargo Shipowners (INTERCARGO), the International Parcel Tankers Association (IPTA), and the International Shipping Federation (ISF). They said the decrease could be attributed to a combination of factors, including the effective action ashore in Somalia by the Somali authorities and the activities of the international community's naval forces coupled with implementation of self-protection measures on board merchant ships and better situational awareness of where the threats are. These organizations, however, remain convinced that the only long term solution to piracy is to establish effective government and implement the rule of law in Somalia. Until that is achieved, they said, “there can be no room for complacency”.

SIMATIC operated shipping lines have recently opened a service linking the ports of Jabal Ali and Mogadishu, and Dubai Ports World (DP World) has welcomed the announcement, describing it as an important step in helping to re-integrate Somalia into the international market. The company stated that this new line would introduce container shipping to the port of Mogadishu, allowing clients to obtain their products more quickly and more securely. Muhammad al-Moallem, Senior Vice President and General Ports Manager for DP World, stated that “we welcome the introduction of SIMATIC services to be used in helping to connect Somalia to the international market by way of the UAE's Jabal Ali port. This is an important step in working to speed up Somalia's economic development and provide long term solutions to help combat piracy, by giving Somalis a source upon which they can build stable and secure livelihoods”. The container service for Mogadishu is initially going to be bi-weekly but is intended to expand to a weekly service as soon as possible.





## The hostile campaign against GERD: more old wine in new bottles

Various media outlets have released negative reports concerning the construction of the Grand Ethiopian Renaissance Dam (GERD) over the past weeks. As usual, the comments on the impact of the Dam on downstream countries as well as on financial issues have been neither based on fact nor on accurate information. At a time when a relatively better understanding of the mutual benefits of the Grand Ethiopian Renaissance Dam, both for Ethiopia and the downstream countries, and of the aims of the Dam for members of the international community, is developing the continued fabrication of such stories tells a lot more about the never-ending nefarious campaign against the project than of the accuracy of the allegations.

The truth is The Grand Ethiopian Renaissance Dam is a project which will provide a lot of benefits to downstream countries and the region in general and additionally will be free of any negative environmental impact on the ecology of the Nile Basin. Indeed, the benefit of the GERD will come significantly from its role in mitigating climate change - several studies, including for example, the Intergovernmental Panel on Climate Change, have indicated that semi-arid and arid countries, like Egypt and Sudan, are likely to be more affected by Climate Change than temperate countries. A recent study commissioned by the Eastern Nile Technical Regional Office also concluded that water infrastructure development, or reservoir construction, was one of the five pillars identified for mitigating extreme hydrological events, as for example alternation of droughts and floods, likely to be caused by Climate Change.

The construction of GERD, in fact, is something that needs to be praised for its contribution to climate change mitigation. The GERD will also minimize evaporation loss from Dams located in unfavorable downstream desert settings. The evaporation loss from the planned full development of GERD is likely to be no more than 0.4 BCM contrary to highly exaggerated figures cited by some reports. In addition, a sustainable and regulated flow will ensure reliable all-season supply to downstream irrigation schemes, reducing harvest loss due to shortage of water during critical growing periods. It will also allow existing under-performing downstream hydroelectric power schemes to perform more effectively with more reliable, sediment-free, regular availability of water, making the building of new dams redundant. Increased power availability for the entire system in turn will enhance regional power trade among the three countries. In fact, all the claims on the environmental and social impacts are entirely misplaced.

Secondly, the fact that GERD is being constructed in an area where there are no significant human settlements and economic activities means the environmental and social impact of the projects will be insignificant or easily mitigated. It is also a less humid area, further underlining its environmentally friendliness, conserving the overall volume of water. Additionally, in relation to the impact on downstream countries, the accumulation of water in the Reservoir will not entail any consumptive withdrawal of water. In other words it will not limit the amount of water to downstream countries. Contrary to these claims, the GERD will offer multiple benefits to the downstream countries even under the current status quo. The design is flexible enough to allow the reservoir to fill without significantly affecting downstream operations. It might be added that most of the dams in downstream countries have silted up and lost over 50% of their storage capacity.



As a result, downstream hydraulic infrastructures, complemented by integrated watershed management, will benefit significantly from the construction of the GERD. The sediment reaching dams and water conveyance structures in Sudan and Egypt will be reduced from the day the first impoundment of water starts at the Dam. All this adds up to fostering confidence-building, laying a cornerstone for mutually beneficial and diversified trade and investment among the three countries, Ethiopia, Egypt and Sudan.

The latest deliberately hostile campaign efforts to denigrate the GERD relate to external support, and these are no more than long outdated tactics of political machination, trying to revive mistrust by attempting to resurrect old fault lines. The truth is GERD is and will be completed through the contribution of the Ethiopian people and government. The demagogic claim that alleging some countries are contributing behind the scenes is simply rubbish. The financing mechanism of the Grand Ethiopian Renaissance Dam, entirely based on home finance, is transparent. It has brought together tens of millions of Ethiopians irrespective of their ethnic, religious, political persuasion or background. Ethiopians at home and abroad are contributing zealously to build their dam, a project of which they are the sole financiers. The National Committee had raised over seven billion birr in the past year. This was due to the determination of the public to build the dam through their collective financial effort. They have demonstrated this by their enthusiastic participation in public bond sales and other contributions. The project performance over the past year has been very satisfactory. The Committee is now designing various mechanisms to continue to mobilize the finance needed for the completion of the project. Other claims to the contrary, and these latest allegations, are no more than another hoax in a continuous campaign against the interests of the Ethiopian people.



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# News in Brief

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## Sir Malcolm Bruce says villagization allegations unsubstantiated

Sir Malcolm Bruce, chair of the UK Parliament's Committee for International Development, on an official visit with a delegation of MP's last week, dismissed allegations against the villagization program as "unsubstantiated". In an interview with a local newspaper Sir Malcolm said DFID and other agencies had monitored the villagization program, undertaking a dozen visits to the regions, and "what these review missions have concluded is that they could not substantiate the claims." Sir Malcolm said the missions had not categorically rejected the allegations, but they had not been able to find evidence to substantiate the accusations that had been made. He added: "we cannot make decisions based on allegations." Sir Malcolm, who said the discussions he and the delegation had held with high-level officials in Ethiopia were "frank", went on to say that on human rights issues he and his delegation had observed was that "what we have now is mostly allegations, many of which government has already addressed." The result, he emphasized, was that the UK currently had in Ethiopia "a program which is delivering a very good result and that overall the UK aid programs in Ethiopia were effective.

## Food inflation rate drops to single digits

The inflation rate for food items for the Ethiopian month of "Yekatit" (February 8th- March 9th) dropped to 7.9%, and the overall national inflation rate fell to 10.3% for the same period. The details of the past month's report indicate that the inflation rate fell by 6.1% for processed food, by 2.4% for transport and communication, by 9.3% for medical expenses 9.3% and by 2.5% for oils and lubricants. There were also falls in grain prices, by 6.9%, vegetables by 11% and spices by 26.4%. However, house rent, construction materials, and power costs rose by 11.7%, and garments and shoes saw a 20% increase compared to the average rate.



# News in Brief

## Sudan, South Sudan agree to start oil flow within two weeks

Sudan and South Sudan have agreed to order the resumption of the flow of southern oil exports through pipelines in Sudan within two weeks. The agreement came during the negotiations that were going on at the same time as the signing of the action plan on the implementation of security issues last week. Sudan's chief negotiator, Idris Mohammed Abdel Gadir, signed a deal with his South Sudanese counterpart, Pagan Amum, setting out a timeline for resumption of oil after four days of African Union-brokered talks in Addis Ababa. The AU High Level Implementation Panel Chairman, President Thabo Mbeki, who is mediating between the two sides, told reporters that the orders for resumption will be given to companies on "D-day (March 10th) plus 14." Meanwhile, according to an armed forces spokesperson, as agreed under the action plan, South Sudan's President Salva Kiir has given orders for South Sudanese troop withdrawals from the Safe Demilitarized Border Zone (SBDZ).

## Egypt's Foreign Minister visits Mogadishu

On Sunday (March 10th) an Egyptian delegation led by the Foreign Minister, Mohamed Amr, arrived in Mogadishu for a one day visit. He was greeted by the Deputy Prime Minister and Minister of Foreign Affairs, Fowzia Adan, and later held talks with President Hassan Sheikh Mohamud, as well as the Minister of Defence and the Speaker of Parliament. The Foreign Minister announced that Egypt would be reopening its diplomatic mission in Mogadishu shortly. The visit is the first by an Egyptian official at ministerial level for more than 20 years. It is expected to promote cooperation between the two countries and increase Egyptian aid to Somalia particularly in training and capacity building for the new government.



# About

*A Week in the Horn*, established in 2007, is a weekly online publication dedicated to regional developments in the Horn of Africa. Its aim is to promote good will and brotherly relations between states in the region by highlighting events and publicizing news stories. It features detailed commentary, analysis as well as intelligent discussion of weekly developments throughout the region.

*A Week in the Horn* is essential reading for policymakers, the diplomatic community, corporate leaders, academia and interested citizens of the region.

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Menelik II Avenue,  
P.O. Box 393,  
Addis Ababa, Ethiopia

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## Special Contributors:

## Media Contributions:

Audio-Visual Department

## Design Editor:

Frezer Haile

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Telephone: (+251) 11 151 7345  
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